

Cyprium Metals: Helping to Plug the Copper Supply Gap

Q&A with Barry Cahill, Managing Director,
Cyprium Metals





Please give our readers some background about Cyprium Metals (ASX: CYM) and the key milestones along your journey from explorer to developer.

The management team of Cyprium Metals was formed in June 2019 with the strategy of developing heap leachable copper projects within Australia.

The first transaction in 2019 was an earn-in and JV, the Hollandaire Copper Project, a shallow higher grade sulphide deposit. This was followed by the shallow Nanadie Well Copper-Gold Project in 2020, which combined forms the Murchison Copper-Gold Project.

Cyprium acquired a portfolio of copper assets in 2021 which included the Nifty Copper Project (in care and maintenance), the large Maroochydore Copper-Cobalt resource and a regional exploration earn-in and JV with IGO Limited (ASX: IGO).

Since acquiring the Nifty Copper Project, we have completed a Restart Study and submitted the regulatory approval amendments. Cyprium is currently in advanced discussions for the financing of the Nifty Restart. All going to plan Nifty will be producing copper metal plate in the second half of 2023.

The Nifty Copper Project already has in place an open

pit oxide heap leach SX-EW operation, an underground sulphide mine, 2.8Mtpa sulphide concentrator and associated infrastructure, all on care and maintenance.

The Nifty Restart Phase 1 plan involves the resumption open pit mining of the oxide resource resulting in a 6.3 year mine life, based on the previous mineral resource of 732,200 contained copper tonnes, which has been subsequently upgraded to 940,200 contained copper tonnes, which potentially has a further +20 year mine-life of the sulphide resource.

There will be another mineral resource upgrade which includes the 2021 eastern drilling programme (the resource remains open). It is anticipated that these upgrades will extend the Phase 1 oxide open pit life towards 10 years as well as further expand the sulphide resource to extend the Phase 2 sulphide pit mine-life.

Nifty is the sixth ranked copper development project in Australia by copper metal and the highest grade of the top group whilst Maroochydore is ranked 8th, an amazing result for a small company started three years ago.

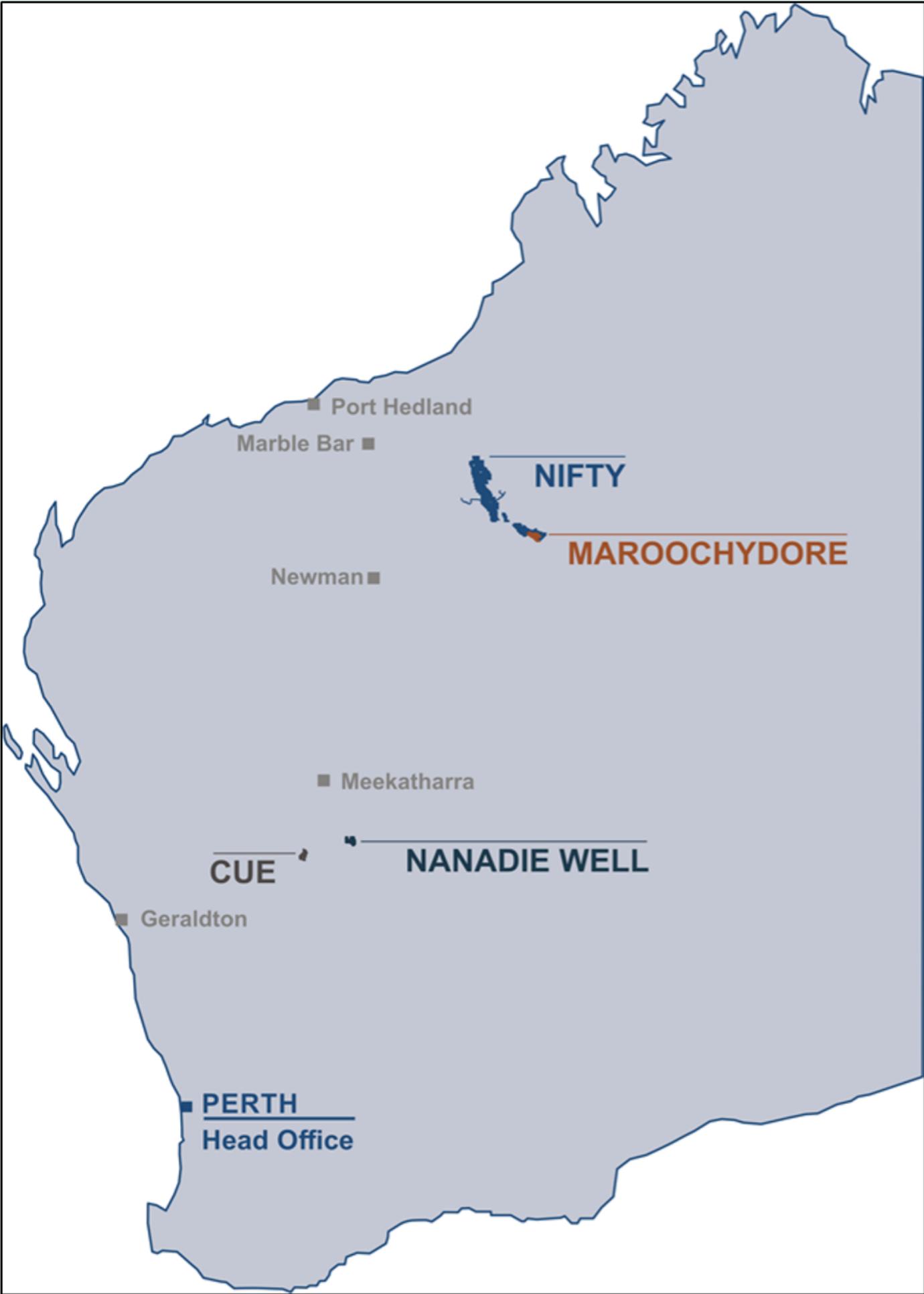
Drilling programmes have also been undertaken at Maroochydore and Nanadie Well which will expand their resource bases so that when Nifty is in production, either Maroochydore

or the Murchison project can be accelerated for development as our next copper operation.

You have several projects in the Paterson and Murchison regions of Western Australia. What have been some of the key developments in the past years?

Our key developments include:

- Three projects in three years – a near-term development and two resource projects, all with substantial resources and all orebodies remain open for further increases in mineralization
- Nifty Restart Study completed within a year of its acquisition, with a planned production at a rate of 25,000tpa copper metal from the second half of 2023
- 99.99% pure copper metal will be produced on site as a finished product, whereas concentrates require downstream smelting and refining in Asia
- Submitted Amended Regulatory Approvals for Nifty Copper Project, majority approved within the targeted timelines
- Commenced the refurbishment and upgrade of the SX-EW plant, including engineering designs, so that Nifty is



Cyprium Metals project locations

“shovel” ready once finance completed and remaining regulatory approvals are received

- JORC-compliant Mineral Resource updates completed for Nifty, Hollandaire and Nanadie Well, taking the Murchison copper project mineral resource to over 200,000t of contained copper

Earlier this summer you raised A\$18M. What will you be using the capital for?

In part for the financing of the Nifty Restart Project, which aims to provide a sustainable, secure, and stable supply of copper metal at 25,000tpa.

Cyprium has entered into an exclusive Letter of Intent (LOI) with Glencore International AG for a A\$50M prepaid copper offtake facility, as part of the Nifty Restart debt financing package covering capital expenditure, contingencies, working capital, and financing costs. The LOI includes a non-binding term sheet which is part of the targeted A\$240M to A\$260M total debt funding package to finance the restart of the Nifty Copper Project. The company continues in advanced discussions with our debt providers who are currently undertaking due diligence activities and financing

documentation.

From an investors' point of view, what makes Cyprium Metals an enticing prospect?

Near term copper production which involves a 12-month refurbishment and construction.

We will produce on site 25,000tpa of copper cathode metal plate a final finished product. The Nifty Copper Project is not a greenfields build, which requires many years just for the approvals phase, but rather it is a refurbishment of an existing mine site in Australia.

There are only a handful of new and technically improved plant items that are required, whilst the rest of the plant refurbishment is basically pumps, pipes, and tanks. New heap leach pads will be constructed in addition to the retreatment of existing leach pads.

Refurbishing an existing plant takes considerably less time and materials, which are currently in short supply with high international freight costs, when constructing a new operation.

Cyprium management have experience in SX-EW refurbishment development projects. The Nifty SX-EW plant has already produced over 200,000t of copper metal cathode however we are including several improvements to the plant and processing

methodology.

Cyprium management have extensive skills and experience in heap leach which allows us to rapidly improve the past performance at Nifty, which includes technological and process changes to improve recoveries whilst reducing reagent consumption rates. This enables recovery of additional copper from the existing heap leach pads and improve the performance of new ore stacked from the open pit.

In summary, near term production from an Australian based long-life mine, producing copper metal, a critical metal in the global transition to a clean and sustainable energy base.

More generally, how well placed are Australian explorers and developers, such as yourselves, to help plug the copper supply gap and accelerate the energy transition?

Cyprium is very well placed. There are limited advanced Australian copper development projects and only a handful of near-term copper producers.

Increasing cost pressures are reducing the number of projects being developed whilst regulatory approvals for greenfield projects take a minimum of three years.

This places Cyprium in a unique position as a near

term copper cathode producer as we have a plant that requires refurbishment and regulatory approvals requiring amendments, which significantly reduces the cost and timelines when compared to a greenfield development project.

Metal demand, particularly for copper, is increasing to meet the clean energy transition, whilst globally new discoveries and ore grades are decreasing. To meet this increased demand, innovation is required, and Cyprium is well equipped with its knowledge and own intellectual property to further improve the economics of our development projects.

Nifty has a large resource base and historical production profile, which allows Cyprium to finance, refurbish and operate to provide cashflow in a condensed timeframe. The cashflow generated will be used to extend Nifty's mine-life to +20 years and Cyprium's other development projects. Cyprium's intellectual property will extensively be used at the Maroochydore and Murchison projects to accelerate our production profile to deliver a finished copper metal cathode into the looming deficit in the copper market.

Not many copper developers have this potential for production growth as Cyprium have.

Are there any plans in the pipeline you can share with us?

Complete the Nifty restart finance process, obtain final government approvals then commence refurbishment at Nifty Copper Project. The refurbishment takes ~12 months, ramping up rapidly to full production of 25,000tpa copper cathode.

The Phase 1 oxide open pit mine life is 6.3 years plus a potential +20-year mine life of the sulphide ore body together with further increases to the current mineral resource. The Nifty Restart Study Phase 1 mine life is expected to increase because of the successful extensional drilling programmes completed in 2021.

Early-stage Life of Mine studies are beginning to demonstrate that there is potential for an annualized production rate increase in the Phase 2 sulphide open pit stage. This is a result of Cyprium's technical knowledge around geology, mining and metallurgy. When the LOM work is finished, the results will outline the future progress of Cyprium into the Phase 2 operations at Nifty.

The Maroochydore Copper-Cobalt Project is located in the same Broadhurst formation. Our exploration earn-in partner IGO is looking for the next Nifty whereas we already have the

makings of this.

Maroochydore is an extensive near surface copper-cobalt deposit with a strike length of 3km, a width of 500m and thicknesses of 100m, which remains in multiple directions. This is another exciting project that we are looking forward to updating the current mineral resource of over 480,000t of contained copper with the drilling results that we have completed since we acquired the project in 2021. **A**